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# Brexit and Its Impact on the Cleared Derivatives Markets: A Primer

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July 2020

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### About FIA

*FIA is the leading global trade organization for the futures, options and centrally cleared derivatives markets, with offices in Brussels, London, Singapore and Washington, D.C.*

*FIA's mission is to support open, transparent and competitive markets; protect and enhance the integrity of the financial system; and, promote high standards of professional conduct.*

*As the leading global trade association for the futures, options and centrally cleared derivatives markets, FIA represents all sectors of the industry, including clearing firms, exchanges, clearing houses, trading firms and commodities specialists from more than 48 countries, as well as technology vendors, lawyers and other professionals serving the industry.*

## ALLEN & OVERY

*This memorandum has been prepared for the FIA by Allen & Overy LLP. For further analysis of the issues, Allen & Overy has published a series of specialist papers on the potential impact of Brexit which can be accessed via: <https://www.allenoverly.com/en-gb/global/news-and-insights/brexit>.*



## INTRODUCTION

The UK left the EU on 31 January 2020 and is in a transitional period that ends on 31 December 2020. During this period, EU law continues to apply in and to the UK and UK financial services firms continue to benefit from all existing EU rights, as do EU firms operating in the UK.

At the end of the transition period, in the absence of any agreement to the contrary, EU law will cease to apply in and to the UK, the UK will become a third country under EU law and the EU will become a third country for the purpose of UK legislation..

This event has raised many questions for FIA members globally: what will be the impact for financial firms in the provision of cross border services after the transition period ends? How will access to central counterparties, trade repositories and trading venues be affected? And what steps should firms take in the next five months to prepare for these changes?

In this paper, Allen & Overy LLP outlines at high-level the near-term consequences for the cleared derivatives industry and practical next steps firms should take.

In clear terms, it discusses the impact of Brexit on the UK and EU legislative frameworks, provides an overview of equivalence assessments and what the possible outcomes mean for FIA member firms, as well as steps market participants should take to address policy and procedure, contractual and operational issues.

We appreciate that this event is likely to present many issues for members globally, particularly those based in the UK and the EU, and FIA will continue to expand its support for members during this process of change, providing information, webinars, thought leadership and advocacy on behalf of members throughout the transition process and afterwards.

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*This document is provided for informational purposes only and does not constitute legal advice or a full description of the applicable legal or regulatory requirements under EU or English law including relevant implementing legislation and related guidance. In particular, we note that any additional terms negotiated during the implementation period may impact the ultimate legal analysis. Accordingly, firms should make their own decisions regarding the applicability of requirements based on their own independent advice from their professional advisors. Although care has been taken to ensure that the contents of this document are accurate as of the date of issue, FIA and Allen & Overy LLP specifically disclaim any legal responsibility for any errors or omissions, any liability for losses or damages incurred through the use of the information herein and undertake no obligation to update the contents of this document following the date of issue.*

## EXIT PROCESS: AN OVERVIEW

**The UK left the EU on 31 January 2020 (exit day).** However, there is no immediate impact as the withdrawal agreement provided for an implementation (also known as transitional) period during which EU law effectively continues to apply in and to the UK and UK firms continue to benefit from all existing EU rights as do EU firms operating in the UK.

**The implementation period runs from exit day until 11pm on 31 December 2020.**

### During the implementation period:

- EU law continues to apply in and to the UK (although the UK will no longer participate in the EU decision making process);
- Negotiations on the future relationship and any free trade agreement are taking place between the UK and the EU. To allow an agreement to be ratified within the timeframe, any agreement will need to be reached, in principle, by the European Council meeting on 15-16 October;.
- The UK will continue the process of “onshoring” EU law into UK law in preparation for the end of implementation period; and
- Equivalence assessments may be determined.

**At the end of the implementation period** (in the absence of any agreement to the contrary):

- EU law will cease to apply in and to the UK;
- The UK will become a third country under EU law (and vice versa); and
- UK onshored legislation will take effect in the UK.

**The implementation period appears unlikely to be extended.** The withdrawal agreement provided the option (if agreed before 1 July 2020) for the implementation period to be extended once by up to two years. On 12 June 2020, the UK formally confirmed it would not be seeking an extension to the implementation period and this was formally accepted by the EU. Whilst this does not entirely remove the prospect that the implementation period will be extended, the likelihood of a further extension is reduced.

## WHAT IS THE IMPACT OF BREXIT ON THE UK LEGISLATIVE FRAMEWORK?

**EU law effectively continues to apply in and to the UK during the implementation period** (notwithstanding the fact that the UK is no longer a member state of the EU).

- The UK Withdrawal Act was implemented to ensure the UK would have a functioning statute book in the event of a “no deal” Brexit. The UK Withdrawal Act was amended by the WAA to give effect to the withdrawal agreement, including to reflect the implementation period.
- The ECA is the legal basis for EU law having effect and supremacy in UK law. The ECA is repealed with effect from exit day, although the effect of the ECA is preserved until the end of the implementation period.

**At the end of the implementation period, EU law will cease to apply in the UK, the EU will be a third country for the purpose of UK legislation (which has a number of impacts - see further below), EU legislation will be “onshored” in the UK and any deficiencies will be corrected.**

- **“Retained EU law”:** EU law will be converted, as it stands, into UK domestic law and laws made in the UK to implement EU obligations will be preserved as “retained EU law” with effect from the end of the implementation period..This is the process known as “onshoring”.
- **No policy changes:** The onshoring process is not intended to involve policy changes and is only intended to cure deficiencies. Deficiencies in this context refer to things like legislative references, regulators or jurisdictions. In other words, changes required to reflect the UK’s new position outside the EU. Notwithstanding this approach, the changes made may have considerable impact from policy and procedure, contractual and operational perspectives. *Market participants must take steps to assess the changes and the degree of impact in relation to their UK-focussed business.*

- **Level 1 - Correcting deficiencies:** In the context of a “no deal” Brexit, the UK Withdrawal Act created temporary powers for government ministers to make secondary legislation in the form of SIs to correct deficiencies. The changes made to the UK Withdrawal Act by the WAA put on hold the SIs amending deficiencies in onshored EU laws that would have applied immediately prior to, on or after exit day until immediately prior to, on or after the end of the implementation period and permit government ministers to correct any further deficiencies.
- **Level 2 - Correcting deficiencies:** HM Treasury has also delegated powers under the UK Withdrawal Act to the Bank of England, the FCA (as defined below) and the PRA (as defined below) to make relevant amendments to their existing rules as well as to onshore EU BTS by way of EU Exit Instruments.
- **Status of Level 3 guidance:** Whilst there is no UK equivalent, EU regulator guidance, such as the ESMA Q&A, continues to be relevant in the UK following the end of the implementation period and UK regulators and market participants may have regard to these as appropriate.
- **Based on “no deal” legislation:** Absent any other agreement, UK onshored legislation will be based on the existing UK “no deal” Brexit legislation (amended to reflect any subsequent amendments made to EU legislation, provisions that become operative or new legislation made during the implementation period).

**In-flight legislation: Onshoring will only apply to the extent the relevant EU law is in force and operative immediately before the end of the implementation period.**

- So called “in-flight” legislation (namely, that which is not in force and/or operative before the end of the implementation period) will not automatically be onshored.
- However, on 23 June 2020, HM Treasury stated<sup>1</sup> that, where relevant, it intends to implement immediate reforms in line with existing expectations of the industry, the approach of the EU and other international partners. Amongst other things, it intends to provide further detail on legislation to complete the implementation of EMIR Refit 2.1 (including changes relating to improving TR data and access to clearing on FRANDT terms) in due course.

<sup>1</sup> <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2020-06-23/HCWS309/>

**Relevant UK regulators: The Bank of England, the FCA and/or the PRA will be the relevant UK regulators following the end of the implementation period.**

- The relevant regulator for regulating a particular entity or activity will depend upon the relevant piece of governing legislation and the type of entity which is regulated. For example, the Bank of England is responsible for supervising CCPs.

**UK transitional provisions: The UK has introduced a number of transitional arrangements to smooth the Brexit transition. Whether any of these are available and to what extent will require a case-by-case assessment.**

- **Temporary permissions regime (TPR):** The TPR will enable EEA firms and investment funds which rely on “passporting” to continue operating in the UK and providing investment, banking, payment, fund/asset management and insurance services to UK clients for up to three years after the end of the implementation period.
- **Financial services contracts regime (FSCR):** The FSCR will enable EEA firms currently operating in the UK and which do not wish to enter (or which depart without authorisation from) the TPR to continue servicing their existing contracts for a limited period to enable the orderly wind down of their UK business. There is also a contractual run-off regime for third country CCPs and TRs.
- **UK regulator temporary transitional powers (TTP):** The TTP is the statutory mechanism by which the PRA, FCA and Bank of England are given power to provide temporary transitional relief to firms arising from Brexit in respect of ‘relevant obligations’. The FCA, the PRA and the Bank of England have confirmed that they will exercise the TTP to provide transitional relief for firms from the end of the implementation period until 31 March 2022. The availability of the TTP is limited in a derivatives context and so it is important to assess whether the TTP can be used in a given scenario. For example, it is not available in the context of EMIR or MiFID II transaction reporting.
- **Transitional relief set out in SIs:** There is specific transitional relief set out in certain SIs themselves. For example, a transitional regime for the recognition of third country CCPs to allow them to continue to be recognised and to provide clearing services in the UK for a period of three years from the end of the implementation period (subject to certain conditions) and the grandfathering of existing intra-group exemptions in respect of EMIR margin and clearing.

## WHAT IS THE IMPACT OF BREXIT ON THE EU LEGISLATIVE FRAMEWORK?

### **EU law continues to apply in the EU during and after the implementation period.**

However, following the end of the implementation period the UK will be a third country for the purpose of EU legislation which has a number of impacts – see further below). *Market participants must take steps to assess these impacts from policy and procedure, contractual and operational perspectives.*

### **EU transitional provisions: The EC has concluded that only a limited number of transitional provisions are necessary to safeguard financial stability in the absence of an explicit future agreement or relevant equivalence finding.**

- Transitional provisions for a “no deal” Brexit (i) relating to the recognition of UK CCPs, and (ii) to avoid triggering EMIR margin and clearing requirements on the novation of certain OTC derivatives contracts to EU counterparties, have fallen away.
- In July 2020, the EC stated it had identified only one area which may present financial stability risks, namely the recognition of UK CCPs, and that it is considering the adoption of a time-limited equivalence decision for the UK in this area.<sup>2</sup>
- There may also be specific transitional provisions available in individual EU member state “Brexit” laws (for example, in respect of contract continuity).

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<sup>2</sup> See the EC Communication on page 14. The EC also confirmed the assessment is ongoing in the Notice to Stakeholders (14 July) on page 3.



## WHAT IS THE IMPACT OF BREXIT ON THE PROVISION OF CROSS BORDER (UK-EEA) SERVICES AND ACCESS TO FINANCIAL MARKET INFRASTRUCTURE?

Prior to and during the implementation period, the ability of UK firms to provide outbound services to EU clients or to receive inbound services from EU firms is generally not an issue as firms (UK or EU) can provide services throughout the EEA on a passported basis.

Equally, the ability of UK firms to access EU market infrastructure and the ability of EU firms to access UK market infrastructure is generally not an issue and will turn on whether the relevant CCP is authorised under EMIR, the relevant TR is registered under EMIR and/or the relevant trading venue is regulated under MiFIR.

From the end of the implementation period, the UK becomes a third country to the EU and the EU becomes a third country to the UK meaning the provision of services and access to financial market infrastructure must instead be assessed by reference to the applicable third country rules. “Equivalence” is, in many cases, a key component.

### Equivalence: an overview

“Equivalence” is the mechanism contemplated under certain EU legislation by which the EU or the UK can recognise that aspects of the regulatory or supervisory regime of a third country is equivalent to the corresponding EU or UK regime. Equivalence potentially supports a variety of exemptions, substituted compliance provisions and third country access rights in EU and UK law.

Equivalence is not available in all areas. Key areas in which equivalence is, in principle, available include the following (each of which may be concluded on independently of the others):

- **Services passports:** right to provide investment services (but not banking, payment or insurance services);
- **Market infrastructure access rights:** access by/to third country CCPs/TRs; use of third country credit ratings and use of third country benchmarks;
- **Trading venues:** equivalent third country trading venues may be used to discharge the DTO under MiFIR and equivalent third country markets to determine which derivatives are “OTC derivatives” for the purposes of EMIR; and

- **EMIR clearing, risk mitigation and reporting obligations:** counterparties shall be deemed to have fulfilled those obligations and may benefit from the cross-border intragroup exemptions from clearing and margin.

Equivalence frameworks are unilateral. Neither the equivalence assessments nor any resulting decisions granting equivalence are formally part of the negotiations on the future relationship between the EU and the UK.

Equivalence decisions can be unilaterally withdrawn at any time. In particular, if third country frameworks diverge and the conditions for equivalence are no longer fulfilled. Equivalence is, therefore, an unharmonised, discretionary, highly technical and potentially unstable basis for facilitating comprehensive market access.

In the political declaration on the future relationship, the UK and the EU agreed to start assessing equivalence with regard to each other after exit day endeavouring to conclude those assessments before end of June 2020. This deadline has not been achieved (although equivalence assessments are ongoing).

### Access to Cross-Border Services at the End of the Transitional Period

**Whether UK entities can continue to provide services into the EEA following the end of the implementation period and in the absence of a relevant future agreement may depend on what services are being provided, any EU-wide relief and individual member state rules.**

- There is currently no EU-wide transitional relief although certain member states may have their own limited “Brexit” laws. *Firms will need to check whether provisions in any “Brexit” laws drafted in the context of a “no deal” Brexit are still available at the end of the implementation period.*
- Equivalence may, in principle, be recognised in respect of investment services under MiFID (but not banking, payment or insurance services) although no such equivalence has yet been determined and it is by no means certain that it will be forthcoming.<sup>3</sup>
- Unless transitional relief is granted on an EU-wide basis or by individual member states (similar to the UK’s TPR) through which UK entities are

<sup>3</sup> We note that the EC Communication stated that the EC has not yet initiated an assessment under Article 47(1) of MiFIR relating to investment firms providing investment services to EU professional clients and eligible counterparties as the EU legal framework is not fully in place (see footnote 21).

considered to have the necessary permissions to provide services in the EEA by virtue of their being authorised by UK regulators, UK entities will not be able to continue providing services in the EEA following the end of the implementation period..

- Given the uncertainty, firms have spent significant time and resources contingency planning and restructuring their businesses as necessary to ensure they can continue to provide services to relevant markets following the end of the implementation period. For example, many firms have established entities in the EU to provide services to EU clients on the basis of the EU passport with the necessary regulatory approvals and have replicated contractual arrangements that exist between the UK entity and the EU client with the new EU entity and the EU client.
- Whilst this mechanism has been adopted widely for OTC derivatives, the picture for cleared derivatives is complicated. It is made complicated by whether the new EU entity has or can have the same clearing memberships or access to clearing as the UK entity, clearing chains and resulting contractual arrangements.

**EEA entities may benefit from the TPR to continue to provide services into the UK for three years following the end of the implementation period to allow time to apply for the necessary authorisations or, in the case of investment services, for equivalence to be determined.**

- By virtue of the TPR, EEA entities will be considered to have the necessary permissions to provide services in the UK following the end of the implementation period. The expectation is that EEA entities will apply for full authorisation from UK regulators or take other necessary steps while the TPR is in force in preparation for when the TPR comes to an end. *Such EEA entities will, however, become third country entities to the UK for this purpose and will need to assess whether this drives any changes from policy and procedure, contractual and operational perspectives.*

## Access to CCPs at the End of the Implementation Period

### **UK CCPs will no longer be authorised under EMIR and must instead be recognised under EMIR to provide clearing services in the EU.**

- Currently, there is no ESMA recognition (of which, amongst other things, an EC equivalence decision is a pre-condition) in respect of UK CCPs in place for the end of the implementation period. CCPs typically have a notice window to serve notice on clearing members that they are terminating membership. For UK CCPs which have a three month notice period, this is then likely to be in September 2020.<sup>4</sup> If EU equivalence and recognition decisions for UK CCPs are not granted, or some other temporary solution achieved, then end of September is a cliff edge date in the timeline. However, as noted above, the EC has stated that it is considering the adoption of a time-limited equivalence decision albeit whilst advising market participants to prepare for all scenarios.
- Separately, the EMIR 2.2 regime which changes the existing recognition regime under EMIR by setting out new criteria for ESMA to apply when recognising third country CCPs is currently in the process of being finalised. UK CCPs will be required to comply with the requirements of the new regime to obtain recognition under EMIR if they wish to continue to provide clearing services in the EU.
- *Absent UK CCP recognition by the EU (of which, amongst other things, an EC equivalence decision is a pre-condition) or any transitional provision in place, UK CCPs will be unable to continue to provide clearing services to EU clearing members and EU counterparties will be unable to comply with their EMIR clearing obligation by clearing via a UK CCP. EU clearing members will need to make other arrangements with a CCP authorised or recognised under EMIR and, if necessary, amend any relevant clearing arrangements.*

<sup>4</sup> At the time of publication of this report, we understand that LCH Ltd has a termination notice period of no less than 3 months after the date of the notice. ICE Clear Europe rules envisage a 30 business days' termination notice period and, similarly, LME Clear rules provide for a minimum 30 business days' termination notice period.

### **EU CCPs must be recognised under UK onshored EMIR to provide clearing services in the UK.**

- The UK has implemented transitional arrangements for the recognition of third country CCPs. The temporary deemed recognition procedure allows third country CCPs that are already authorised or recognised under EMIR to continue to be recognised and to provide clearing services in the UK for a period of three years from the end of the implementation period. The three year period may be extended. The availability of this temporary deemed recognition is subject to certain conditions being met including that the relevant CCP has notified the Bank of England of its intention to use the temporary deemed recognition.
- Third country CCPs will be required to comply with the new onshored EMIR 2.2 regime to obtain UK recognition (of which, amongst other things, a UK equivalence decision is a pre-condition). Third country CCPs will need to have obtained this recognition before the UK transitional arrangements cease to apply.
- As noted above, there is a UK run-off regime for third country CCPs available if CCPs do not enter the temporary recognition regime or if they exit the regime without recognition.
- *If the UK transitional arrangements cease to apply and absent EU CCP recognition by the UK (of which, amongst other things, a UK equivalence decision is a pre-condition), EU CCPs will be unable to continue to provide clearing services to UK clearing members and UK counterparties will be unable to comply with their UK onshored EMIR clearing obligation by clearing via a EU CCP. UK clearing members will need to make other arrangements with a CCP authorised or recognised under UK onshored EMIR and, if necessary, amend any relevant clearing arrangements.*

## Access to Trade Repositories at the End of the Implementation Period

**UK TRs will no longer be registered under EMIR and, in order to continue to provide reporting services to EU counterparties, would need to either (i) apply for recognition under EMIR as third country TRs, or (ii) set up an EU affiliate registered under EMIR.**

- There is no transitional relief for the reporting obligation under EMIR or to provide for temporary recognition of UK TRs (although assessments in respect of the equivalence of TRs are ongoing<sup>5</sup>).
- EU derivatives counterparties must report to a registered or recognised TR under EMIR.
- *Absent UK TR recognition by the EU (of which, amongst other things, an EC equivalence decision is a pre-condition), EU counterparties cannot comply with their EMIR reporting obligation by reporting to a UK TR and will need to make other arrangements with a registered EU TR or, if applicable, amend any delegated reporting arrangements.*

**EU TRs must be recognised under UK onshored EMIR or must set up a UK affiliate to provide reporting services to UK counterparties.**

- There is no transitional relief for the reporting obligation under UK onshored EMIR or to provide for temporary recognition of EU TRs (although UK affiliates of EU registered TRs may benefit from a temporary registration regime allowing them to provide reporting services in the UK for a period of three years).
- UK derivatives counterparties must report to a registered or recognised TR under UK onshored EMIR.
- As noted above, there is a UK run-off regime for EU TRs but this is only available if a TR is removed from the temporary registration regime.
- *Absent EU TR recognition by the UK (of which, amongst other things, a UK equivalence decision is a pre-condition), UK counterparties cannot comply with their UK onshored EMIR reporting obligation by reporting to a EU TR and will need to make other arrangements with a registered UK TR or, if applicable, amend any delegated reporting arrangements.*

<sup>5</sup> The EC also confirmed the assessment is ongoing in the Notice to Stakeholders (14 July) on page 4.

## Access to Trading Venues at the End of the Implementation Period

**Absent equivalence of UK trading venues under MiFIR, EU derivatives counterparties will no longer be able to satisfy their DTO under MiFIR by trading on UK trading venues.**

**Vice versa, absent equivalence of EU trading venues under UK onshored MiFIR, UK derivatives counterparties will no longer be able to satisfy their DTO under UK onshored MiFIR by trading on EU trading venues.**

- There is currently no UK or EU transitional relief in respect of the DTO<sup>6</sup> or any determination made to provide for the temporary equivalence of trading venues (although assessments in respect of the equivalence of trading venues are ongoing<sup>7</sup>).
- Consequently, UK and EU derivatives counterparties will need to ensure they have arrangements in place to trade on a permitted venue under the applicable regime.
- As UK derivatives counterparties must satisfy the DTO via a UK trading venue or third country equivalent trading venue and EU derivatives counterparties must satisfy the DTO via a EU trading venue or third country equivalent trading venue, a lack of equivalence will mean that a non-UK and non-EU trading venue is the only option for regulatory compliance for EU-UK counterparty pairings.
- *Absent a finding of equivalence of EU and UK trading venues or other transitional provision, UK counterparties cannot comply with their UK onshored EMIR DTO by trading on an EU trading venue and EU counterparties cannot comply with their EMIR DTO by trading on a UK trading venue. Consequently, EU and UK counterparties will need to make other arrangements with a trading venue in their own jurisdiction or an equivalent third country.*

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<sup>6</sup> We note that the EC Communication stated that the EC has not yet initiated an assessment under Article 33(2) of MiFIR as the EU legal framework is not fully in place (see footnote 21).

<sup>7</sup> See the EC Notice to Stakeholders (13 July) on page 4.

**Absent UK regulated markets being declared “equivalent third country markets” under EMIR, derivatives traded on UK regulated markets will be regarded as “OTC derivatives” under EMIR.**

**Vice versa, absent EU regulated markets being declared “equivalent third country markets” under UK onshored EMIR, derivatives traded on EU regulated markets will be regarded as “OTC derivatives” under UK onshored EMIR.**

- There is currently no UK or EU transitional relief available in respect of the impact of any change to the definition of “OTC derivatives”.
- This may impact the regulatory obligations that apply to those contracts and counterparty classification under EMIR and MiFIR.
- *Market participants must take steps to assess the impacts from policy and procedure, contractual and operational perspectives.*



## **STEPS TO BE TAKEN BY FIRMS IN THE NEXT SIX MONTHS TO PREPARE FOR THE END OF THE IMPLEMENTATION PERIOD**

1. Continue to monitor the development of equivalence determinations, additional transitional arrangements and further changes to the UK onshoring legislation (including relevant inflight legislation).
2. Ensure entities, relationships and transactions affected by the changes to or impact on the EU and UK legislative frameworks have been identified and you are aware of how this will affect your derivatives business.
3. Consider how access to relevant market infrastructure will continue and make necessary new arrangement where relevant.
4. Amend policies, procedures and operational systems to reflect relevant changes.
5. Remediate contractual arrangements where necessary.
6. Ensure relevant notifications are made to regulators.

## GLOSSARY

BTS	Binding technical standards.
CCP	Central counterparty.
DTO	Derivatives trading obligation.
EC	European Commission.
<a href="#">EC Communication</a>	Communication from the EC to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: Getting ready for changes - Communication on readiness at the end of the transition period between the EU and the UK dated 9 July 2020.
EEA	European Economic Area.
<a href="#">EMIR</a>	Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories.
<a href="#">EMIR 2.2</a>	Regulation (EU) 2019/2099 of the European Parliament and of the Council of 23 October 2019 amending Regulation (EU) No 648/2012 as regards the procedures and authorities involved for the authorisation of CCPs and requirements for the recognition of third-country CCPs.
<a href="#">EMIR Refit 2.1</a>	Regulation (EU) 2019/834 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 648/2012 as regards the clearing obligation, the suspension of the clearing obligation, the reporting requirements, the risk-mitigation techniques for OTC derivative contracts not cleared by a central counterparty, the registration and supervision of trade repositories and the requirements for trade repositories.
EU	European Union.
FCA	UK Financial Conduct Authority.
FRANDT	Fair, reasonable, non-discriminatory and transparent commercial terms.
FSCR	UK financial services contracts regime.
<a href="#">MiFID II</a>	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.

<a href="#">MiFIR</a>	Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012.
<a href="#">Notice to Stakeholders (13 July)</a>	EC notice to stakeholders on the withdrawal of the UK and EU rules in the field of markets in financial instruments dated 13 July 2020.
<a href="#">Notice to Stakeholders (14 July)</a>	EC notice to stakeholders on the withdrawal of the UK and EU rules in the field of post-trade financial services dated 14 July 2020.
OTC	Over-the-counter.
PRA	UK Prudential Regulation Authority.
SIs	Statutory instruments.
The ECA	The European Communities Act 1972.
<a href="#">The UK Withdrawal Act</a>	The European Union (Withdrawal) Act 2018.
<a href="#">The WAA</a>	The European Union (Withdrawal Agreement) Act 2020.
TPR	UK temporary permissions regime.
TR	Trade repository.
TTP	UK regulator temporary transitional powers.
UK	United Kingdom.



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